LIBRARIES NI
The Northern Ireland Library Authority
Audit and Risk Committee

Monday 4 April 2011

Minutes of a special meeting of the Audit and Risk Committee held in Finaghy Library on Monday 4 April 2011 at 10.00 am.

PRESENT
Mr Alastair McDowell
Ms Judith Andrews
Councillor C Casey
Chairperson

IN ATTENDANCE
Ms Irene Knox
Mr Terry Heron
Mr Brian Doherty
Mr Denver Lynn
Mr Peter O’Sullivan
Mr Alastair Hughes
Chief Executive
Director of Business Support
Head of Internal Audit
Northern Ireland Audit Office
Northern Ireland Audit Office
Head of Libraries Branch, Department of Culture, Arts and Leisure

1 APOLOGIES FOR NON ATTENDANCE
Councillor J Rodgers
Ms Helen Roulston
Mr Mick Cory
Vice Chairperson
Department of Culture, Arts and Leisure

2. DECLARATIONS OF INTEREST
2.1 The Chairperson reminded Members and Officers of the need to declare any actual, potential or perceived conflicts of interest associated with any item on the agenda either now or at the relevant stage during the meeting. No interests were declared.

3. PRESENTATION OF ANNUAL ACCOUNTS 2009/10
3.1 The Director of Business Support introduced the Annual Accounts 2009/10 and explained that the most complex area of works was obtaining the prior year’s comparative figures for public library services for 2008/09 and 2007/08 from the Education and Library Boards (ELBs) in a timely and consistent manner. He explained that initially, the Education and Skills Authority (ESA) Implementation Team provided
the authority and focus to progress this matter but when the deadline for ESA moved from first from April 2009 to December 2009 and then to an unspecified date, this authority and focus was lost. As a result each of the ELBs had provided information in accordance with their own organisation's requirements and not primarily with Libraries NI's needs in mind.

3.2 The Director of Business Support explained that the circulated accounts included the most recent information from the ELBs and adjustments in respect of PFI accounting, finance leases and audit adjustments. He reported that the Northern Ireland Audit Office (NIAO) had advised of limitation of scope qualifications on three opening balance areas in Libraries NI Annual Accounts 2009/10, namely VAT Debtor comparative figures; Pension Deficit comparative figures; Fine Books valuation.

3.3 The Director of Business Support confirmed that the VAT Debtor and Pension Deficit issues related to 2008/09 and would not be an issue going forward. A project team is currently being established to look at fine books/valuable books to try and resolve the issues surrounding them, but this may take several years.

3.4 The Director of Business Support reported that, since circulation of the current set of Accounts being considered by the Audit and Risk Committee more changes had been received from the ELBs and the final Accounts would be presented at the next Board meeting on 14 April 2011, thus allowing focus to move to 2010/11 accounts.

3.5 The Finance Manager explained the Annual Accounts in some detail, noting that they had been produced using NDPB Green format and in accordance with DCAL instructions. She drew attention in particular to Note 34 which reconciled the Accounts to the finance reports provided to the Board through the Business Support Committee and which showed that Libraries NI had lived within its financial allocation.

3.6 Members sought and received clarification on a number of issues including the fine book valuation and PFI accounting.

3.7 The Chairperson commended the work involved in reaching this stage of the Annual Accounts and the Committee agreed to recommend them to the Board.

4. REPORT TO THOSE CHARGED WITH GOVERNANCE

4.1 The NIAO representatives presented the provisional Report to Those Charged with Governance. It was confirmed that the opening paragraph on page three would be copied into the Executive Summary to provide a comprehensive context.
4.2 Mr Lynn drew attention in particular to Annex B (The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly) and Annex C (Report of the Comptroller and Auditor General: Northern Ireland Library Authority 2009 - 2010). He indicated that with the exception of the limitation of scope qualifications already noted, the accounts were satisfactory. He stated that Annex C was not overly critical of the accounts in recognition of the significant progress that had been made by Libraries NI in its first year of operation.

4.3 The Chairperson referred to the management responses to the NIAO recommendations in the Report to Those Charged with Governance and the Mr Lynn stated that the NIAO was content with these responses. The Chairperson asked that these recommendations be tracked and progress reported to the Committee in the same way as reported for internal audit recommendations.

5. **STATEMENT ON INTERNAL CONTROL 2009/10**

5.1 The Chairperson introduced the document and noted that the first draft had already been reviewed by the Committee using the National Audit Office Guide for Audit Committees. He then asked if there were any significant changes to the current draft. The Chief Executive stated that the document had been revised to group relevant issues together. In relation to Assets management, the shared properties with health were now included in the accounts. The NIAO asked that the document should also include reference to the comparative pension figure. This was agreed. The Committee noted the Statement on Internal Control.

6. **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2009/10**

6.1 The Chairperson introduced the document and proposed that he meet with the Head of Internal Audit to update the document, to take account of the revised Statement on Internal Control, the Report to Those Charged with Governance and the discussion at today’s meeting. This was agreed and it was also agreed to email the revised version to Members for their consideration and input prior to issuing with the Board papers.

7. **ANY OTHER NOTIFIED BUSINESS**

There was no other notified business.
8. MEMBERS ARRIVAL AND DEPARTURE TIMES

The meeting ended at 11.20 am. All those in attendance arrived for the commencement of the meeting, and remained until it ended.

Signed: ________________

Date: ____________